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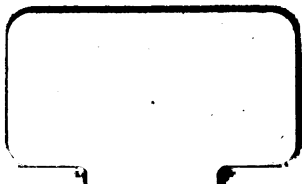
THE VENEZUELAN QUESTION.

REPORT ON THE SUBJECT

BY THE

Committee on Foreign Commerce and the Revenue Laws

OF THE

Chamber of Commerce of the State of New-York.

Adopted by the Chamber January 2d, 1896.

SPEECH OF THE HON. CARL SCHURZ.

NEW-YORK:
PRESS OF THE CHAMBER OF COMMERCE.

1896.

REPORT.

To the Chamber of Commerce:

Your Committee on Foreign Commerce and the Revenue Laws respectfully report, that since the last meeting of the Chamber and the 127th annual celebration of its foundation, at which the continued revival of confidence and the steady improvement in business were subjects of general and just congratulation, a sudden and deplorable check has been given to our growing prosperity by an occurrence which no foresight could have anticipated, and from a quarter whence such a blow was least to have been expected. The President of the United States, in his Annual Message to the Congress, had referred to the pending dispute as to the boundary between Venezuela and British Guiana, in reference to which the good offices of our Government had been tendered, and arbitration had been recommended ; but there was nothing to indicate that a solution satisfactory to all parties might not be reasonably expected. The special message of the President upon this subject came, therefore, as a sudden and unwelcome surprise to the commercial world, causing the apprehension of war to take the place of the calm spirit of confidence with which the approaching Christmas holidays were anticipated. The loss caused by the rude derangement of business, and by the fall in the value of merchandise and of securities, are too painfully fresh to require discussion at our hands. Upon the merits of the controversy between the United States and the Government of Great Britain, it would be manifestly impolitic, if not improper, for the Chamber of Commerce to express any opinion while the subject is still under discussion between the responsible representatives of the two powers, but it seems to your Committee to be eminently proper and desirable that this Chamber, which may, without presumption, claim to represent the commercial interests and feelings of the mercantile classes, should express its pro-

found regret that the contingency of war between the two great English speaking nations should have been suggested as a possible outcome of the pending correspondence in a controversy in which the American people have now, and probably can have no more than a sentimental and passing interest. But for the suggestion that an ultimate resort to arms might become necessary, the work of diplomacy would have proceeded without disturbing public confidence, and the ultimate solution have been reached without causing needless ruin to many innocent persons, and unmerited distress in many a household in which joy would otherwise have prevailed.

Your Committee feel also that the Chamber may properly reiterate ts repeated declaration in favor of arbitration as a reasonable and the best method for the settlement of international disputes, and to express its regret that the Government of Great Britain has seen fit to decline, or to limit the propositions which have heretofore been made by Venezuela, and courteously and wisely reinforced by our Government, for the submission of the boundary dispute to the decision of impartial arbiters; and to voice the hope that Great Britain will yet see that it is alike magnanimous and wise to re-open the question in dispute with a weaker power, and submit to the unbiased judgment of mankind the decision of a question of no great moment in itself, but to which extraneous circumstances have given sufficient importance to raise the issue of peace and war between two powerful and kindred nations, whose intimate relations with each other, and whose permanent welfare demand at all times "peace with honor."

It seems to your Committee, that if the subject should be reviewed by both Governments in the spirit of mutual forbearance, looking rather to the future than to the past, and with the sterling common sense which has heretofore characterized the Anglo Saxon race, and gained for it the primacy of the world, the solution of the pending controversy will not be found to be attended with serious difficulty.

The opportunity for this review will fortunately be presented when the report of the Commissioners, created by the Congress of the United States for the purpose of investigating all the facts relating to the disputed boundary shall have been received and communicated in a friendly spirit to both parties to the controversy, in the expectation that it will either form a basis for adjustment by negotiation or for reference to impartial arbitration.

This course is rendered the more easy because Great Britain takes no exception to the principles declared in the MONROE Doc-

trine, which, indeed, was formulated at the instance and with the approval of the great British Minister, CANNING, who "sought to redress the balance of power in Europe, by calling into existence a new world in the West," and because also the President has declared that there can be no objection to a conventional rearrangement of boundaries which may be satisfactory to Venezuela, and that such a result will not be regarded by the United States as infringing upon its rights and interests, or as violating the spirit of the doctrine announced by President MONROE in 1823, and which still has the enthusiastic support of the American people.

During the present century about eighty cases of international dispute have been settled by arbitration. In the last twenty years these cases have occurred at the rate of two or three a year. They have covered questions of boundary, of insult to the flag, of property, of personal injury—every question, in fact, with which nations have had to deal, except the one question of actual existence of the national life. In every case the difficulty has been settled for all time, and no war has ever grown out of any of them.

Our country has settled more than forty of these difficulties. We have been literally "the peace nation of the world." Great Britain has settled about a dozen in the same period, and all the nations of Europe have had from one to seven cases. All of the South American republics, except two, and two of the Central American republics, have done the same. As between Great Britain and the United States there have been numerous controversies which have been thus settled from 1798 down to the present time. Among these were the St. Croix River boundary, the Passamaquoddy Bay dispute, and the northeastern boundary between the United States and Canada. Then came the Alabama claims and the fisheries dispute, the first being decided in our favor and the latter against us, each side accepting the decision and paying the award like business men. Then came the seizure of Canadian sealing vessels by the United States in Behring Sea, which was arbitrated, and about $400,000 awarded to the owners of the seized vessels, which has not been paid, owing to the failure of Congress to make an appropriation therefor, and which we are in honor bound to settle without further delay. The Alaskan boundary remains to be determined, but a convention providing for a survey of part of the line has already been entered into by England and the United States, and it is in a fair way of being settled in an equally reasonable manner.

Your Committee being convinced that their views as to a peaceful solution will have the support and sympathy of intelligent and patriotic people on both sides of the Atlantic, recommend to the Chamber the adoption of the following resolutions, designed to strengthen the efforts of the responsible officials of Great Britain and the United States to preserve the peace, with the aid and assistance of men of all races and creeds, who look upon war as the greatest conceivable calamity, and upon peace and commerce as the most powerful agencies in promoting the progress of civilization, the growth of liberty, the spread of religion, and the general diffusion of happiness :

Resolved, That the Chamber of Commerce of the State of New-York, being profoundly impressed with the gravity of the situation which threatens the peace, now and happily so long existing between Great Britain and the United States, appeals to the common sense and the common interests of the people of both countries to avert the calamity of war by a resort to arbitration or other friendly negotiation, which has so often been found to be a sufficient and satisfactory mode of settling international disputes, and to which both governments stand committed by profession, precedent and the humanitarian spirit of the age.

Resolved, That the President of the Chamber of Commerce appoint a Special Committee of fifteen members, of whom the President shall be one, to consider the expediency of an effort to be made on its part, in conjunction with similar organizations, in the interest of international peace and good understanding, toward the submission of the whole Venezuela Boundary dispute for investigation to a Joint Commission, to be composed of the members of the Commission already appointed by the President and an equal number of British subjects, and to be presided over by some man of eminent character and ability, to be agreed upon by the Governments of Great Britain and the United States ; the Commission so constituted to be not a court of arbitration, but a Commission of Inquiry or Advisory Council, and as such to report the results of its investigations and its opinions to the Governments concerned for their decision.

Resolved, further, That if the Special Committee of this Chamber find it expedient that such an effort be made, it shall have power to

enter, in the name of this Chamber of Commerce, into correspondence with other commercial organizations and other organizations of public spirited citizens to enlist their co-operation, and to do such other things as it may deem useful and proper to further the object in view.

Respectfully submitted.

(Signed,)	FRANCIS B. THURBER, GUSTAV H. SCHWAB, STEPHEN W. CAREY, WILLIAM H. ROBERTSON,	*Committee on Foreign Commerce and the Revenue Laws.*

NEW-YORK, *December* 28, 1895.

REMARKS OF MR. FRANCIS B. THURBER, CHAIRMAN OF THE COMMITTEE.

MR. PRESIDENT: In submitting this report I would state that when excitement, following the President's message, was at its height, and fortunes were crumbling in the financial world, it seemed to many members of the Chamber expedient that it should voice, through a special meeting, the great interests involved.

A call for such a meeting was signed by double the required number of members, but as action by Congress was pending, it was deemed advisable to await the regular monthly meeting and afford an opportunity for sober second thought to assert itself.

Desiring that the Chamber should have the benefit of the best minds, and those most experienced in public affairs among our members, your Committee sought the advice of the Hon. ABRAM S. HEWITT, the Hon. CARL SCHURZ, the Hon. SETH LOW and the Hon. CHAUNCEY M. DEPEW, and we are greatly indebted to those gentlemen for assistance and wise counsel in the preparation of the report.

Pending the report of the eminent Commission, authorized by Congress and appointed by the President, your Committee have not deemed it advisable to go into the merits of the controversy, but have confined this report to advocating peace and arbitration, and calling public attention to what these forces have accomplished during the present century in adjusting international differences. In this day and generation public opinion is the court of last resort, and religion and commerce should be allies in advocating the cause of human progress before this court. Public opinion can prevent unloosing the dogs of war, or even drive them back to their kennels if unloosed. This Chamber may well speak with authority in the

interest of peace, for it has ever been foremost in upholding the honor of the nation, as well as responding to the appeals of humanity. If necessity arises it will not hesitate at any sacrifice of blood or treasure to this end, but until that necessity is clearly apparent, let us believe with TENNYSON, that

> "The common sense of most shall hold a fretful realm in awe,
> And the kindly earth shall slumber lapt in universal law."

Mr. President, I move the adoption of the report and resolutions.

SPEECH OF THE HON. CARL SCHURZ.

MR. PRESIDENT: As an Honorary member of the Chamber of Commerce, I am thankful for the privilege of seconding the resolution offered by the Committee. I yield to no one in American feeling or pride; and, as an American, I maintain that international peace, kept in justice and honor, is an American principle and an American interest. As to the President's recent message on the Venezuela case, opinions differ. But I am sure that all good citizens, whether they approve or disapprove of it, and while they would faithfully stand by their country in time of need, sincerely and heartily wish that the pending controversy between the United States and Great Britain be brought to a peaceable issue.

I am well aware of the strange teachings put forth among us by some persons, that a war, from time to time, would by no means be a misfortune, but rather a healthy exercise to stir up our patriotism, and to keep us from becoming effeminate. Indeed, there are some of them busily looking round for somebody to fight as the crazed Malay runs amuck looking for somebody to kill. The idea that the stalwart and hard working American people, engaged in subduing to civilization an immense continent, need foreign wars to preserve their manhood from dropping into effeminacy, or that their love of country will flag unless stimulated by hatred of somebody else, or that they must have bloodshed and devastation as an outdoor exercise in the place of other sports—such an idea is as preposterous as it is disgraceful and abominable.

It is also said that there are some American citizens of Irish origin, who wish the United States to get into a war with England, because they believe such a war would serve to relieve Ireland of the British connection. We all value the willingness of the Irish born American citizens to fight for their adopted country if need

be ; and nobody will deny that their hearty love for their native land is, as such, entirely natural and entitled to respect. But as American citizens, having sworn exclusive allegiance to the United States, not one of them should ever forget that this republic has a right to expect of all its adopted citizens, as to their attitude toward public affairs, especially questions of peace or war, the loyal and complete subordination of the interests of their native countries to the interests of the United States.

There are also corrupt politicians eager to plunder the public under a cheap guise of patriotism, and unscrupulous speculators looking for gambling and pilfering opportunities in their country's trouble, and wishing for war as the piratical wrecker on his rocky shore wishes for fogs or hurricanes. They deserve the detestation of every decent man.

But aside from these classes it may safely be assumed that all seriously minded American citizens earnestly hope for a continuance of the long existing friendly relations between this country and Great Britain. General SHERMAN, whose memory is dear to us all, is reported to have said, in his vigorous way : "You want to know what war is ? War is hell." And nobody who has seen war as he had, and as some of us have, will question the truthfulness of this characteristic saying. True, war sometimes develops noble emotions and heroic qualities in individuals or in a people ; but war is hell for all that. If our boasted civilization and Christianity are to mean anything, they should mean this : No war is justifiable unless its cause or object stand in just proportion to its cost in blood, in destruction, in human misery, in waste, in political corruption, in social demoralization, in relapse of civilization ; and even then it is justifiable only when every expedient of statesmanship to avert it has been thoroughly exhausted.

I shall not discuss now whether those who honestly think that our present difference with Great Britain would, as to cause or object, justify war, or those who think the contrary, are right. I expect them both to co-operate in an earnest endeavor to encourage those expedients of statesmanship by which war may be averted in either case. Confronting a grave emergency, we must, as practical men, look at the situation, not as it might have been or ought to be, but as it is. For several years our Government has been seeking to bring a boundary dispute between Venezuela and British Guiana to a friendly settlement, but without success. Last summer, the President, through the Secretary of State, in a despatch reviewing the case at length, and containing an elaborate disquisition on the

MONROE Doctrine, asked the British Government whether it "would consent or decline to submit the Venezuela question in its entirety to impartial arbitration," calling for "a definite decision." Lord SALISBURY, after some delay, replied, in a despatch also discussing the MONROE Doctrine from his point of view, that the Venezuela question might be in part submitted to arbitration, but he refused so to submit it in its entirety as asked for. Thereupon President CLEVELAND sent a message to Congress recommending appropriations for a Commission to be appointed by the Executive, which Commission "shall make the necessary investigation" of the boundary dispute, and report to our government; and when such report is made and accepted, it will, in the President's opinion, "be the duty of the United States to resist, by every means, the appropriation by Great Britain of any lands, or the exercise of any governmental jurisdiction over any territory, which, after investigation, we have determined of right belongs to Venezuela." And Congress, by unanimously voting the appropriation asked for, without qualification, virtually made the position taken by the President its own.

This correspondence and this message, by their tone as well as their substance, have essentially changed the situation. It is no longer a mere question of boundary, or of the status of the MONROE Doctrine, but after a demand and a call for a definite decision, and a definite refusal of the thing demanded, and in answer to this something that may be understood as a threat of war, it has assumed the most ticklish form of an international difference—the form of a question of honor. Questions of fact, of law, of interest, of substantial justice and right it may sometimes be difficult to determine ; but there are rules of evidence, of legal construction, of equity, and precedents to aid us. A question of honor is often inaccessible to these aids, for it is a matter of sentiment. Affairs of honor have caused as many follies as affairs of love. It is a strange fact, that while the mediæval conception of honor which regarded the duel as the only adequate settlement of a question of that nature, has yielded to more enlightened and more moral views in several highly civilized countries, nations are in such cases still apt to rush to arms as the only means of satisfaction.

It is generally said, in Great Britain as well as here, that there will be no war. The belief is born of the wish. It is so general because almost everybody feels that such a war would be a disaster not only calamitous but also absurd and shameful to both nations. From the bottom of my heart I trust the prediction will prove

true. But the prediction itself, with the popular sentiment prompting it, will not be alone sufficient to make it true. Bloody wars have happened in spite of an earnest popular desire for peace on both sides, especially when points of honor inflamed the controversy. It may be in vain to cry "Peace! Peace!" on both sides of the ocean, if we continue to flaunt the red rag in one another's faces.

The commission just appointed by the President indeed consists of eminent, patriotic and wise men. They will, no doubt, conduct their inquiry with conscientious care and fairness. So we think here. But we have to admit that after all it is a one-sided contrivance, and as such lacks an important element of authority. Suppose the report of the Commission goes against the British contention. Suppose then we say to Great Britain: "*Our* investigation shows this, and *we* decide accordingly. Take this, or fight!" How then? It is quite possible that a vast majority of the British people care very little about the strip of territory in dispute, and would have been satisfied to let the whole of it go to arbitration. It is not impossible even that Lord SALISBURY himself, in view of the threatening complications in Europe and other parts of the world, and of the manifold interests involved, might at last rather let it be so submitted than have a long quarrel about it. But it may well be doubted whether any statesman at the head of the British or any other great government would think that he could afford to yield what he otherwise would be disposed to yield, under a threat of war. Similar circumstances would produce similar effects with us. The fact is, therefore, that however peaceable the popular temper may be on both sides of the water, the critical moment will come at the time when the Commission reports, and, if that Commission remains one-sided as it is now the crisis may become more exciting and dangerous than ever.

But in the meantime there will be something calling for the most earnest attention of the business world on both sides of the Atlantic. While that critical period is impending there will be—who knows how long—a dark cloud of uncertainty hanging over both nations, an uncertainty liable to be fitfully aggravated on occasion, or even without occasion, by speculative manufacturers of rumors. Every business calculation will be like taking a gambler's chance. The spirit of enterprise will be depressed by vague anxiety as to the future, by the apprehension—paralysis, and I need not tell you as experienced business men what all this means as to that confidence which is necessary to set in motion the rich

man's money and the poor man's labor, and thus to develop general prosperity. It is of the highest importance, therefore, that this uncertainty be removed, or at least lessened as much and as soon as possible ; and the peace sentiment prevailing here as well as in England, of which the friendly message from the Chamber of Commerce in Edinburgh is so cheering an evidence, may perhaps be practically set to work for the accomplishment of that end.

A thought occurred to me when studying President CLEVELAND'S Venezuela message, which, indeed, may well have occurred, at least in general outline, to many others at the same time, because it seems so natural. I am glad to notice that something in the same line was suggested by an English journal. The President has appointed an American Commission to inquire into British claims as to the Venezuela boundary. As I have already pointed out, the findings of that Commission will, owing to its one-sided origin, lack an essential element of the moral authority required to command general credit. This authority would be supplied if an equal number of eminent Englishmen, designated by the British Government, were joined to the Commission to co-operate in the examination of the whole case, and if the two parties, to prevent dead-locks between them, agreed upon some distinguished person outside to preside over and direct their deliberations and to have the casting vote—the joint commission to be not a court of arbitration, and as such to pronounce a final and binding decision of the whole case —the thing which Lord SALISBURY objected to—but an advisory council, to report the results of its inquiry into the whole case, together with its opinions, findings and recommendations to the two governments for their free acceptance or rejection.

It may be said that such an arrangement would not entirely remove the uncertainty as to the final outcome. I believe, however, that it would at least very greatly lessen that uncertainty. I think it probable that the findings and recommendations of a Commission so constituted would have high moral authority, and carry very great weight with both governments. They would be likely to furnish, if not a complete and conclusive decision, at least a basis for a friendly agreement. The very appointment of such a Joint Commission by the two governments would be apt at once to remove the point of honor, the most dangerous element, from the controversy, and thus go very far to relieve the apprehension of disastrous possibilities which usually has so unsettling and depressing an effect.

I do not know, of course, whether such a plan would be accepted

by either government. I think, however, that each of them could assent to it without the slightest derogation to its dignity, and that if either of them received it, upon proper presentation, even with an informal manifestation of favor, the way would easily be opened to a mutual understanding concerning it. At any rate, it seems to me worth the while of a public spirited and patriotic body like this, and of other friends of peace here or abroad, to consider its expediency, and at the close of my remarks I shall move a tentative resolution to that effect, in addition to the one now pending.

I repeat, I am for peace—not, indeed, peace at any price, but peace with honor. Let us understand, however, what the honor of this great American Republic consists in. We are a very powerful people—even without an army or navy immediately ready for action, we are, in some respects, the most powerful people on earth. We enjoy peculiar advantages of inestimable value. We are not only richer than any European nation in men, in wealth and in resources yet undeveloped, but we are the only nation that has a free hand, having no dangerous neighbors and no outlying and exposed possessions to take care of. We are, in our continental position, substantially unassailable. A hostile navy may destroy what commercial fleet we have, blockade our ports, and even bombard our seaboard towns. This would be painful enough, but it would only be scratching our edges. It would not touch a vital point. No foreign power or possible combination could attack us on land without being overwhelmed on our own soil by immensely superior numbers. We are the best fitted, not, perhaps, for a war of quick decision, but for a long war. Better than any other nation we can, if need be, live on our own fat. We enjoy the advantage of not having spent our resources during long periods of peace on armaments of tremendous cost without immediate use for them, but we would have those resources unimpaired in time of war to be used during the conflict. Substantially unassailable in our continental fastness, and bringing our vast resources into play with the patriotic spirit and the inventive genius and energy of our people, we would, on sea as well as on land, for offensive as well as defensive warfare, be stronger the second year of a war than the first, and stronger the third than the second, and so on. Owing to this superiority of our staying power, a war with the United States would be to any foreign nation practically a war without end. No foreign power or possible combination in the Old World can, therefore, considering in addition to all this the precarious relations of every one of them with other powers and its various exposed inter-

ests, have the slightest inclination to get into a war with the United States, and none of them will, unless we force it to do so. They will, on the contrary, carefully avoid such a quarrel as long as they can, and we may be confident that without firing a gun, and even without having many guns ready for firing, we shall always see our rights respected and our demands, if they are just and proper—may be, after some diplomatic sparring—at last fully complied with.

What is the rule of honor to be observed by a power so strong and so advantageously situated as this republic is? Of course, I do not expect it meekly to pocket real insults if they should be offered to it. But surely, it should not, as our boyish jingoes wish it to do, swagger about among the nations of the world, with a chip on its shoulder, and shaking its fist in everybody's face. Of course, it should not tamely submit to real encroachments upon its rights. But, surely, it should not, whenever its own notions of right or interest collide with the notions of others, fall into hysterics and act as if it really feared for its own security and its very independence. As a true gentleman, conscious of his strength and his dignity, it should be slow to take offence. In its dealings with other nations it should have scrupulous regard, not only for their rights, but also for their self respect. With all its latent resources for war, it should be the great peace power of the world. It should never forget what a proud privilege and what an inestimable blessing it is not to need and not to have big armies or navies to support. It should seek to influence mankind, not by heavy artillery, but by good example and wise counsel. It should see its highest glory, not in battles won, but in wars prevented. It should be so invariably just and fair, so trustworthy, so good tempered, so conciliatory, that other nations would instinctively turn to it as their mutual friend and the natural adjuster of their differences, thus making it the greatest preserver of the world's peace.

This is not a mere idealistic fancy. It is the natural position of this great republic among the nations of the earth. It is its noblest vocation, and it will be a glorious day for the United States when the good sense and the self-respect of the American people see in this their "manifest destiny." It all rests upon peace. Is not this peace with honor? There has, of late, been much loose speech about "Americanism." Is not this good Americanism? It is surely to-day the Americanism of those who love their country most. And I fervently hope that it will be and ever remain the Americanism of our children and children's children.

The foregoing report and resolutions were adopted at the meeting of the Chamber of Commerce, held January 2d, 1896, and the following named gentlemen were appointed the Special Committee:

Abram S. Hewitt,	John A. Stewart,
Carl Schurz,	August Belmont,
John Bigelow,	Morris K. Jesup,
Oscar S. Straus,	Vernon H. Brown,
Chauncey M. Depew,	Charles S. Smith,
Seth Low,	Francis B. Thurber,
William E. Dodge,	A. Foster Higgins,

Alexander E. Orr.